

City of Midland, Michigan

	Fiscal Year			
	1997	1998	1999	2000
Debt limit	\$ 199,804,730	\$ 202,258,540	\$ 206,454,375	\$ 214,483,350
Total net debt applicable to limit	<u>9,571,000</u>	<u>8,554,000</u>	<u>7,536,000</u>	<u>6,524,000</u>
Legal debt margin	<u>\$ 190,233,730</u>	<u>\$ 193,704,540</u>	<u>\$ 198,918,375</u>	<u>\$ 207,959,350</u>
Total net debt applicable to the limit as a percentage of debt limit	4.79%	4.23%	3.65%	3.04%

Legal Debt Margin Calculation for Fiscal Year 2006

Debt Limit:

2006 State equalized valuation	\$ 2,811,712,100
Debt limit (10% of State equalized valuation) (1)	x <u>10.00%</u>

Total debt limit 281,171,210

Debt Applicable to Debt Limit:

Total bonded debt	\$ 27,224,063
Less deductions allowed by law - Revenue bonds	<u>4,620,000</u>

Total amount of debt applicable to debt limit 22,604,063

Legal debt margin \$ 258,567,147

Limitations on Borrowing

(1) Act 279, Public Acts of Michigan, 1909, as amended, and provisions of the City Charter state that net bonded indebtedness of the City shall not exceed 10 percent of the City's assessed valuation.

Bonds which are not required to be included in this computation of net indebtedness, according to said Act 279, are:

- A. Special Assessment Bonds
- B. Mortgage Bonds
- C. Motor Vehicle Highway Fund Bonds
- D. Revenue Bonds
- E. Bonds issued, or contracts or assessment obligation, incurred to comply with an order of the Water Resources Commission or a court of competent jurisdiction
- F. Other obligations incurred for water supply, sewage, drainage or refuse disposal projects necessary to protect the public health by abating pollution.

**Legal Debt Margin
Year Ended June 30**

Fiscal Year					
2001	2002	2003	2004	2005	2006
\$ 216,153,000	\$ 223,989,670	\$ 255,657,280	\$ 238,933,850	\$ 242,518,860	\$ 281,171,210
<u>13,587,000</u>	<u>12,857,968</u>	<u>13,688,377</u>	<u>12,514,532</u>	<u>17,600,438</u>	<u>22,604,063</u>
<u>\$ 202,566,000</u>	<u>\$ 211,131,702</u>	<u>\$ 241,968,903</u>	<u>\$ 226,419,318</u>	<u>\$ 224,918,422</u>	<u>\$ 258,567,147</u>
6.29%	5.74%	5.35%	5.24%	7.26%	8.04%